

Combined Utility System Fund  
For the period ended January 31, 2006  
(amounts expressed in thousands)

	FY2006					
	FY2005 Actual	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
<b>Operating Revenues</b>						
Water Sales	\$ 301,227	\$ 313,361	\$ 313,361	\$ 199,596	\$ 326,861	\$ 326,861
Sewer Sales	288,459	302,653	302,653	182,497	303,653	303,653
Penalties	4,605	4,005	4,005	3,194	5,216	5,216
Other	4,583	4,078	4,078	2,537	4,078	4,078
Total Operating Revenues	<u>598,874</u>	<u>624,097</u>	<u>624,097</u>	<u>387,824</u>	<u>639,808</u>	<u>639,808</u>
<b>Operating Expenses</b>						
Personnel	176,786	130,480	129,576	68,380	119,153	119,153
Supplies	29,313	29,107	28,832	15,880	30,368	30,368
Electricity and Gas	49,825	52,421	52,451	43,238	58,297	58,297
Contracts & Other Payments	75,865	100,583	100,809	42,993	93,920	93,920
Non-Capital Equipment	1,011	1,468	1,487	464	1,487	1,487
Total Operating Expenses	<u>332,800</u>	<u>314,059</u>	<u>313,155</u>	<u>170,955</u>	<u>303,225</u>	<u>303,225</u>
Operating Income (Loss)	<u>266,074</u>	<u>310,038</u>	<u>310,942</u>	<u>216,869</u>	<u>336,583</u>	<u>336,583</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	7,872	5,300	5,300	8,463	14,127	14,127
Sale of Property, Mains and Scrap	1,035	808	808	5,063	5,958	5,958
Other	0	7,614	7,614	5,842	8,294	8,294
<b>Other Financing Sources - Pension Bonds</b>	0	0	0	0	0	0
Gain on escrow restructure	0	0	0	0	0	0
Gross Revenue Contrib. from Water Auth.	0	0	0	0	0	0
Impact Fees	15,497	14,000	14,000	6,395	15,558	15,558
CIP Salary Recovery	0	3,140	3,140	0	1,375	1,375
HAWC	(1,677)	(9,075)	(9,075)	(2,505)	(6,355)	(6,355)
CWA & TRA Contracts (P & I)	<u>(31,546)</u>	<u>(32,219)</u>	<u>(32,219)</u>	<u>(26,288)</u>	<u>(32,219)</u>	<u>(32,219)</u>
Total Nonoperating Rev (Exp)	<u>(8,819)</u>	<u>(10,432)</u>	<u>(10,432)</u>	<u>(3,030)</u>	<u>6,738</u>	<u>6,738</u>
Income (Loss) Before Operating Transfers	<u>257,255</u>	<u>299,606</u>	<u>300,510</u>	<u>213,839</u>	<u>343,321</u>	<u>343,321</u>
<b>Operating Transfers</b>						
Debt Service Transfer	188,270	232,730	232,730	113,156	232,730	232,730
Transfer to PIB - Water & Sewer	27,822	26,282	26,282	7,793	26,257	26,257
Discretionary Debt	0	1,605	1,605	3,986	5,516	5,516
Equipment Acquisition	0	13,357	14,261	4,482	14,261	14,261
Transfer to Stormwater	30,000	31,300	31,300	13,800	30,659	30,659
Total Operating Transfers	<u>246,092</u>	<u>305,274</u>	<u>306,178</u>	<u>143,217</u>	<u>309,423</u>	<u>309,423</u>
Net Current Activity						
Operating Fund Only	\$ <u>11,163</u>	\$ <u>(5,668)</u>	\$ <u>(5,668)</u>	\$ <u>70,622</u>	\$ <u>33,898</u>	\$ <u>33,898</u>

**About the Fund:**

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.